

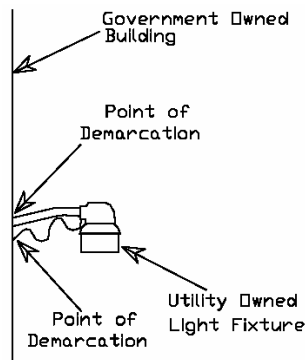
**Offeror Questions and Suggested Government Responses Related to the Request for Proposal (RFP) for Privatization of Ft. Polk, Louisiana Utility Systems.**

1. During armed forces mobilization, what will be the extent of the responsibility of the electrical contractor to mobilize with the troops? Will the electrical contractor be expected to work outside of the Ft. Polk property?

**Contractor will not be expected to "mobilize with the troops" nor will the Contractor be expected to work outside of the Ft. Polk property described in the RFP.**

2. Where is the point of demarcation for electrical service to streetlights and area lights? Will the electrical contractor be expected to maintain lights that are fed from buildings or attached to buildings?

**Generally, street and area light PODs are covered by the general PODs listed in Table 2, paragraph J1.2.1.2 for non-residential service. Contractor will be expected to maintain lights that are fed from buildings and those that are attached to buildings. POD will be the building wall line as reflected in the sketch below.**



3. Can we have the size of the electrical service and service voltage requirements for the new meter installations identified in the RFP? Who will be responsible for the service entrance upgrades, on the buildings, to accommodate the new meters?

**This information is not currently available. Suggest that Offerors include unit costs for various new meter installations along with their assumptions. Contractor will be responsible for any required service entrance upgrades.**

4. The 'Electrical System Outage Log' shows numerous outages resulting from underground cable faults or failures. What types of repairs are typically being made on the cable? What are the causes of failure?

**Generally, the UG cable failures were attributable to insulation breakdown in one form or another. Much of the UG cable has exceeded its expected useful life. On most occasions repairs were made with 3M splice kits.**

5. Will the electric utility owner own and be responsible for any sports lighting structures such as ballpark lighting, etc?

**Yes. Lighting for athletic fields is included in the inventory in paragraph J1.2.1.4, Table 4.**

6. Previous question asked prior to the Pre-proposal conference at Fort Polk in writing. Repeat: When does the Entergy commodity electric service agreement with Fort Polk expire?

**There is essentially no contract period associated with Ft. Polk's electric commodity sales agreement with Entergy. Theoretically, if Ft. Polk wanted to purchase electricity from another supplier, they could terminate their arrangement with Entergy at any time. However, other suppliers of electricity would likely have to work with Entergy on the use of their transmission/distribution network and substation equipment.**

7. Please provide electronic copy (CD) in original native format (AutoCAD or Micro-Station) of the electrical system maps.

**We are certain that there is no benefit in obtaining Micro-Station or AutoCAD files of the Polk utility systems. However, upon request, we will provide ESRI Shape Files that can be converted to AutoCAD 2000 using MAP Express Tools (a free internet download). As stated during the Pre-proposal conference, the ESRI Shape files have only limited system attribute data loaded at this time. There is more utility information on the TIF files provided at the Pre-proposal Conference.**

8. J.1.11 states capital upgrade projects for system components are to be placed in Schedule 2, R&R and the cost factored into the fixed monthly charge as part of CLIN AA. This is a new requirement and seems to eliminate the rationale for ICUs. The purpose of ICUs is to enable contractors to bring the system up to speed and get reimbursed more quickly than amortizing over 50 years. Please review this new change in pricing.

**There is no new change in pricing nor is there any rationale for eliminating Initial Capital Upgrades (ICUs). This question would indicate that there is a general misunderstanding of capital upgrade projects, ICUs, fixed monthly charges, amortization periods, etc. The following should help to clarify:**

**Paragraph Jx.11 covers system deficiencies of one form or another. The second bullet of Paragraph Jx.11 refers to system components that have exceeded their useful lives. They are not necessarily initial capital upgrades (those projects needed to resolve code violations or to remedy serious deficiencies) but are actually R&R projects that, because of the age of the components, should be considered for replacement early on in the 50-year period. The purpose for including this bullet under Paragraph Jx.11 was to simply emphasize the need to look closely at older components with a view toward early replacement. In light of the apparent confusion caused by this bullet, it will be removed in its entirety.**

**Offerors must understand that "fixed monthly charge" does not necessarily mean that capital upgrade projects will have an amortization period spread across the entire 50-year contract period. For all capital upgrades, Offerors have the option of specifying their own amortization schedule for each project. In fact, shorter amortization schedules will result in lower net present values and a lower bid. The capital upgrade cost components of fixed monthly charges are "fixed" only as long as the amortization schedule for individual projects. The Government anticipates that the "fixed monthly charge" will rise and fall as new capital upgrades are added and as earlier projects are paid off.**

9. Please answer whether the Government should-cost number will include the deficiencies listed in Table 11 that "require execution," but have not previously been designed or costed by the Government.

**The Government should-cost estimate will include costs for well-supported projects defined and proposed by the Offerors. If Offerors determine, during the course of due diligence, that certain component conditions are sufficiently significant to include scoped projects in their cost proposal, the Government would then evaluate the Offerors' proposals and if the deficiency projects were considered to be prudent investments, the Government would amend its should-cost estimate to produce an "apples-to-apples" cost comparison. It should be emphasized that the Government will look very closely at the support/rationale/basis for each of these projects. Under this process, an Offerors would not be penalized, but rather rewarded for solid system assessments during the due diligence period, and well supported project/cost proposals.**